

AN ACT

ENTITLED, An Act to establish certain requirements regarding the separation and protection of a gas and electric public utility's assets.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 49-34A be amended by adding thereto a NEW SECTION to read as follows:

Unless the commission otherwise orders:

- (1) A public utility shall hold all owned or operated public utility assets in one or more legal entities separate and segregated from the legal entities of any nonutility subsidiaries or affiliates;
- (2) All secured debt of a public utility may be used only for public utility purposes. If more than twenty percent of a public utility's secured assets are divested, the debt shall follow the assets or be retired in the same proportion as the divested assets; and
- (3) No public utility may extend credit to any of its nonutility subsidiaries or affiliates, pledge the assets of the public utility as collateral for the use or benefit of any of its nonutility subsidiaries or affiliates, or guarantee any debt or obligations of any of its nonutility subsidiaries or affiliates.

Any public utility which does not comply with the provisions of this Act shall have two years within which to become compliant. Notwithstanding any provision of this Act, after notice and opportunity for hearing, the commission may grant a waiver of any provision of this Act if the commission finds a waiver would not pose an undue risk to the operation of the public utility and is in the public interest.

An Act to establish certain requirements regarding the separation and protection of a gas and electric public utility's assets.

\_\_\_\_\_  
I certify that the attached Act  
originated in the

SENATE as Bill No. 40

\_\_\_\_\_  
Secretary of the Senate  
\_\_\_\_\_

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 40  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

\_\_\_\_\_  
Received at this Executive Office  
this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor  
\_\_\_\_\_

The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor  
\_\_\_\_\_

STATE OF SOUTH DAKOTA,  
ss.  
Office of the Secretary of State

Filed \_\_\_\_\_, 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State